

Debrcard 2/28

Date: \_\_\_\_\_

PURCHASE REQUISITION APPROVAL REQUEST

PROJECT: Marlboro Racing Cap - National Accounts

VENDOR: Amalgamated T-Shirt

FINANCIAL IMPACT: \$1,010,000

COORDINATORS: Adrian Marrullier/Carl Cohen

DESCRIPTION: As summarized below, these two requisitions reflect the balance of 400,000 caps required to meet the 2.66 million caps budgeted for the Marlboro 3-pack with Racing Cap promotion (2.5 million - national; 0.16 million -national accounts). Of the 400,000 quantity, 200,000 caps will be produced by Amalgamated with the balance being sourced from across the 4 additional vendors as their production capabilities allow.

This job was competitively bid with five vendors and only three were able to provide us with a portion of the 2.6MM caps necessary for the promotion. Additional vendors (Habitat, Amalgamated) were sourced to meet the original production shortfalls and to make-up shortfalls caused by vendors revising their production capabilities downwards.

APPROVED CAP REQUISITIONS TO DATE

<u>VENDOR</u>	<u>QUANTITY</u>
EAR	500,000*
Paramount (Sound Beach)	560,000**
Horizon	200,000
Habitat	<u>1,000,000</u>
TOTAL	2,260,000

\* EAR adjusted production capacity downward by 64,000 units from approved quantity of 564,000

\*\* Paramount adjusted production capacity downward by 220,000 units from approved quantity of 780,000

COST ELEMENT: Total dollar commitment for this requisition is \$1,010,000 based on a quantity of 400,000 units. This cost does not include the cost of decoration (patches), which is provided under a separate requisition.

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BUDGET

IMPACT: A total of \$15,825,000 is budgeted in the Marlboro 1990 OB for this promotion. Of this total, \$8,645,000 was budgeted for decorated caps (\$3.25 /unit w/packaging). Total Actual cost for decorated hats is \$8,471,400 (Packaged). (See attached detailed /analysis).

TIMING:

To remain on schedule with this promotion, this signed requisition must be returned to purchasing by February 15.

APPROVALS:

After signing, please call Ext 3253 for pick-up.

M. Heinrich	<u>2/13</u>	Accounting	<u>2/23</u>
C. Cohen	<u>2/13</u>	Budget	<u>2/15</u>
N. Lund	<u>2/13</u>		
E. Merlo	<u>2/14</u>		
D. Dangoor			
H. Steele			
F. Newman			
E. Houminer	<u>2/14</u>		

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